



CRS Report for Congress

Iran's Activities and Influence in Iraq

Kenneth Katzman
Specialist in Middle Eastern Affairs
Foreign Affairs, Defense, and Trade Division

Summary

Iran is actively assisting the major Shiite Muslim political factions in Iraq, most of which have longstanding ideological, political, and religious sectarian ties to Tehran. A more pressing U.S. concern is that Iran is purportedly arming militias fielded by those factions, militias that are committing sectarian violence and attacking U.S. forces. The Administration is trying to reverse Iranian influence in Iraq while also engaging Iran diplomatically on Iraq. This report will be updated. See CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*.

Background

Iran's influence in Iraq is a significant issue not only because of the U.S. need to stabilize Iraq but also because of tensions between the United States and Iran over Iran's nuclear and regional ambitions. With the conventional military and weapons of mass destruction (WMD) threat from Saddam Hussein removed, the thrust of Iran's strategy in Iraq has been to acquire "strategic depth" in Iraq by perpetuating domination of Iraq's government by pro-Iranian Shiite Islamist leaders. Doing so gives Iran leverage to forestall a potential confrontation with the United States and enhances Tehran's regional position generally. At the same time, Iran's aid to Iraqi Shiite militias is contributing to sectarian violence that the United States says hinders U.S. stabilization efforts.

For the first two years after the fall of Saddam Hussein, Iran's leaders and diplomats succeeded in persuading all Iraqi Shiite Islamist factions in Iraq to work together in a U.S.-led election process, because the number of Shiites in Iraq (about 60% of the population) virtually ensured Shiite dominance of an elected government. To this extent, Iran's goals in Iraq differed little from the main emphasis of U.S. policy in Iraq, which was to set up a democratic process. Iran's strategy bore fruit with victory by a Shiite Islamist bloc ("United Iraqi Alliance") in the two parliamentary elections in 2005. The bloc, which includes the Islamic Supreme Council of Iraq (ISCI),¹ the most pro-Iranian

¹ In May 2007, this group changed its name from the Supreme Council for the Islamic Revolution
(continued...)

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 12 OCT 2007		2. REPORT TYPE		3. DATES COVERED 00-00-2007 to 00-00-2007	
4. TITLE AND SUBTITLE Iran's Activities and Influence in Iraq				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service, The Library of Congress, 101 Independence Ave, SE, Washington, DC, 20540-7500				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 6	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

of the groups, and the Da'wa (Islamic Call) party, won 128 of the 275 seats in the December 15, 2005, election for parliament. Most ISCI leaders spent their years of exile in Iran. Prime Minister Nuri al-Maliki is from the Da'wa Party, although Maliki spent most of his exile in Syria, not Iran. The faction of the 32-year-old Moqtada Al Sadr, whose ties to Iran are still developing because his family remained in Iraq during Saddam's rule, pulled out of the UIA in September 2007. The Sadr clan has ideological ties to Iran; Moqtada's great uncle, Mohammad Baqr Al Sadr, was a contemporary and political ally of Iran's Ayatollah Ruhollah Khomeini and was hung by Saddam Hussein in 1980. Iran sees Sadr's faction — which has 30 seats in parliament and a large and dedicated following, particularly among lower-class Iraqi Shiites — as a growing force.

As Shiite militia power has grown in order to suppress Iraq's Sunnis, Iran has shifted from a purely political role to active financial and materiel assistance to all the Shiite militias, even though some of these militias are now fighting among themselves. ISCI's militia, the "Badr Brigades" (now renamed the "Badr Organization"), numbers about 20,000 but it has now burrowed into the still-fledgling Iraqi Security Forces (ISF), particularly the 26,000 person "National Police" and its parent administering organ, the Ministry of Interior. The Badr Brigades were trained and equipped by Iran's Revolutionary Guard, politically aligned with Iran's hardliners, during the Iran-Iraq war. During that war, Badr guerrillas conducted forays from Iran into southern Iraq to attack Baath Party officials, although the Badr forays did not spark broad popular unrest against Saddam Hussein's regime.

Badr fighters in and outside the ISF have purportedly been involved in sectarian killings, although to a lesser extent than the "Mahdi Army" (Jaysh al-Mahdi, or JAM) of Moqtada Al Sadr. The December 6, 2006, Iraq Study Group report said the JAM might now number about 60,000 fighters. The JAM's ties to Iran are less well-developed than are those of the Badr Brigades because the JAM was formed by Sadr after the fall of Saddam Hussein. U.S. military operations put down JAM uprisings in April 2004 and August 2004 in "Sadr City" (Sadr stronghold in east Baghdad), Najaf, and other Shiite cities. In each case, fighting was ended with compromises under which JAM forces stopped fighting in exchange for amnesty for Sadr. Since August 2004, JAM fighters have patrolled Sadr City and they are increasingly challenging ISCI, Iraqi government forces, and U.S. and British forces for control of such Shiite cities as Diwaniyah, Nassiriyah, Basra, and Amarah — even as reports suggest the JAM is becoming increasingly less disciplined and less organized. The intra-Shiite conflict is accelerating with the 2007 British drawdown in the Basra area. Britain maintains about 5,500 troops at their main base at Basra airport but the force is scheduled to shrink to about 2,500 by mid-2008.

Iranian leaders have also cultivated ties to Grand Ayatollah Ali al-Sistani, the 76-year-old Iranian-born Shiite cleric who is the undisputed senior Shiite theologian in Iraq. However, Sistani has differed with Iran's doctrine of direct clerical involvement in governance, and he has resisted political direction from Iran. Iran's interest in Sistani might be declining as Iran's Shiite community has become more radicalized and Sistani's call for Shiites not to be drawn into civil conflict with the Sunnis has gone unheeded.

¹ (...continued)
in Iraq (SCIRI).

Assertions of Iranian Support to Armed Groups

Iranian material support to militias in Iraq has added to U.S.-Iran tensions over Iran's nuclear program and regional ambitions, such as its aid to Lebanese Hezbollah. In providing weaponry, Iran might be seeking to develop a broad range of options in Iraq that includes pressuring U.S. and British forces to leave Iraq, or to bog down the United States militarily and thereby deter it from military or diplomatic action against Iran's nuclear program. In August 2007, Iranian President Mahmoud Ahmadinejad heightened U.S. concerns about Iran's long term intentions by saying that Iran would fill a "vacuum" that would be left by a U.S. withdrawal from Iraq.

No firm information exists on how many representatives of the Iranian government or its institutions might be in Iraq. However, one press report said there are 150 Iranian Revolutionary Guard Qods (Jerusalem) Forces (the Qods Force is the arm of the Guard that operates outside Iran's borders) and intelligence personnel in Iraq.² In December 2006, U.S. forces arrested two Qods Forces senior officers in the compound of SICI leader Hakim, where they were allegedly meeting with Badr Brigade leader (and member of parliament) Hadi al-Amiri; the two were later released under Iraqi government pressure. In January 2007, another five Iranian agents were arrested in a liaison office in the Kurdish city of Irbil, reportedly against the urging of Iraq's Kurdish leaders. They remain under arrest until later in October 2007 when their case will be reviewed. Iranian diplomats were allowed access to the five on July 7, 2007, and the Iranians reportedly were told that there are two other Iranian government employees held by U.S. forces. On April 3, 2007, an Iranian diplomat, Jalal Sharafi, arrested by Iraqi gunmen under unclear circumstances on February 4, 2007, was released. Some speculated that the release was to promote Iran's release of 15 British sailors seized by Iran on March 23, 2007 and held until April 5, 2007. U.S. forces arrested another purported Qods officer, in Kurdish controlled Iraq, on September 20, 2007. In part because of Qods Force/Revolutionary Guard activity in Iraq, in August 2007, it was reported that the Bush Administration might name the Guard, or the Qods Force, as a Foreign Terrorist Organization (FTO), which would require freezing of any Guard assets in the United States, although there are likely no assets there. H.R. 1400, passed by the House on September 25, 2007, and a provision of the Senate passed FY2008 defense authorization bill (H.R. 1585) call on the Administration to name the Guard an FTO.

On several occasions, senior U.S. and allied military officials and policymakers have provided increasingly specific information on Iranian aid to Shiite militias.

- On September 28, 2006, Maj. Gen. Richard Zahner, deputy chief of staff for intelligence of the Multinational Force-Iraq (MNF-I), said that the labels on C-4 explosives found with Shiite militiamen prove that the explosives came from Iran. He added that only the Iranian military apparatus (which would include the Qods Force) controls access to such military-grade explosives.³ On January 31, 2007, the commander of

² Linzer, Dafna. "Troops Authorized To Kill Iranian Operatives in Iraq," *Washington Post*, January 26, 2007.

³ "Iranian Government Behind Shipping Weapons to Iraq," *American Forces Press Service*, (continued...)

Multinational Corps-Iraq, Lt. Gen. Ray Odierno, said that the United States had traced to Iran serial numbers of weapons found in Iraq, including rocket-propelled grenades, bombs, and Katyusha rockets.

- On February 11, 2007, U.S. military briefers in Baghdad provided what they said was specific evidence that Iran had supplied armor-piercing “explosively forced projectiles” (EFPs) to Shiite militias. EFPs have been responsible for 170 U.S. combat deaths from 2003 until April 2007, although this is many times lower than the number of U.S. deaths at the hands of Sunni insurgents. However, suggesting that Shiite militias are increasingly seen as a major security challenge for U.S. troops, in August 2007, Gen. Odierno said that EFP’s accounted for one-third of the 79 U.S. troop deaths in July 2007, and that the Shiite militias accounted for 73% of the attacks that killed or wounded U.S. soldiers that month. He added that Iran had supplied the Shiite militias with 122 millimeter mortars that are used to fire on the Green Zone in Baghdad.
- On April 11, 2007, U.S. military officials said they had found evidence that Iran might also be supplying Sunni insurgent factions, although without asserting Iranian government approval.
- On July 2, 2007, Brig. Gen. Kevin Begner, in a briefing for journalists, said that the Qods Force is using Lebanese Hezbollah to train and channel weapons to Iraqi Shiite militia fighters, and that Iran is giving up to \$3 million per month to its protegee forces in Iraq. Bergner based his information on the March 2007 capture — in connection with a January 2007 attack that killed five U.S. forces in Karbala — of former Sadr spokesman Qais Khazali and Lebanese Hezbollah operative Ali Musa Daqduq. In his September 10 and 11, 2007 testimony to Congress, overall U.S. commander in Iraq General David Petraeus said that Iran is seeking to turn the Iraqi Shiite militias into a “Hezbollah-like force to serve [Iran’s] interests and fight a proxy war against the Iraqi state and coalition forces....” On October 7, 2007, Gen. Petraeus told journalists that Iran’s Ambassador to Iraq, Hassan Kazemi-Qomi, is a member of the Qods Force.
- In September 2007, the U.S. military said that, to stop the flow of Iranian weaponry, it is building a base near the Iranian border in Wasit Province, east of Baghdad. The base and related high technology checkpoints will be manned, in part, by forces from the republic of Georgia.

Iranian Influence Over Iraqi Political Leaders

Since the fall of Saddam Hussein, Iran has exercised substantial political and economic influence on the Iraqi government, although Iran’s economic initiatives do not necessarily conflict with the U.S. goal of reconstructing Iraq. During exchanges of high-

³ (...continued)

September 28, 2006.

level visits in the summer of 2005, including a Iraqi delegation led by interim Prime Minister Ibrahim al-Jafari in July 2005, Iraqi officials took responsibility for starting the 1980-1988 Iran-Iraq war, and indirectly blamed Saddam Hussein for ordering the use of chemical weapons against Iranian forces during that conflict. During a related defense ministerial exchange, the two signed military cooperation agreements, as well as agreements to open diplomatic facilities in Basra and Karbala (two major cities in Iraq's mostly Shiite south) and to begin transportation and energy links (oil swaps, provision of cooking fuels and 2 million liters per day of kerosene to Iraqis and future oil pipeline connections). In response to U.S. complaints, Iraqi officials have said that any Iran-Iraq military cooperation would be limited to border security, landmine removal, and information sharing. Iran also extended Iraq a \$1 billion credit line as well, some of which is being used to build roads in the Kurdish north and a new airport near Najaf, a key entry point for the approximately 20,000 Iranian pilgrims visiting the Imam Ali Shrine there each month. The two countries have developed a free trade zone around Basra, which buys electricity from Iran, and trade has increased dramatically. Iraq is now Iran's second largest non-oil export market, buying about \$1 billion worth of goods from Iran during January - September 2006 (\$1.3 billion on an annualized basis), according to Iran's Trade Planning Division (December 2006 fact sheet).

Shortly after Prime Minister Nuri al-Maliki took office on May 20, 2006, Iran's Foreign Minister Manuchehr Mottaki led a high-profile visit to Iraq. During that visit, Foreign Minister Hoshyar Zebari supported Iran's right to pursue nuclear technology "for peaceful purposes," while also stating that Iraq does not want "any of [its] neighbors to have weapons of mass destruction."⁴ Maliki visited Iran during September 13-14, 2006, meeting all major Iranian leaders and signing memoranda of understanding to facilitate cross border immigration, exchange intelligence, and expand commerce. During the visit, he said that 3,400 members of the Iranian opposition group People's Mojahedin Organization of Iran (PMOI), who were based in Iraq during Saddam's rule and are now confined by U.S.-led forces to a camp near the Iranian border, would be expelled from Iraq. He reiterated the expulsion threat in February 2007, although U.S. officials say the fighters would not be expelled as long as U.S.-led forces have formal security responsibility in Iraq. In Maliki's most recent visit to Iran (August 8-9, 2007), he reportedly sought Iran's intercession with Iraq's Sunni Muslim neighbors to calm Sunni forces in Iraq, although Iran has little leverage over these states. He also reportedly signed an agreement to build pipelines between Basra and Iran's city of Abadan to transport crude and oil products for their mutual swap arrangements. On that visit, Maliki invited Ahmadinejad to visit Iraq; Ahmadinejad accepted the invitation but no date for a visit is announced amid speculation the United States might try to block that trip.

Some believe Iran's influence will fade over the long term. Iraq's post-Saddam constitution does not establish an Iranian-style theocracy, and rivalry between Iraq's Shiite clerics and those of Iran might increase if Najaf re-emerges as a key center of Shiite Islamic scholarship to rival Qom in Iran. Iraqi Shiites generally stayed loyal to the Iraqi regime during the 1980-1988 Iran-Iraq war. Although exchanges of prisoners and remains from the Iran-Iraq war are mostly completed, Iran has not returned the 153 military and civilian aircraft flown to Iran at the start of the 1991 Gulf War, although it has allowed an Iraqi technical team to assess the condition of the aircraft (August 2005). Iraq is said

⁴ "Clarification Statement" issued by Iraqi Foreign Minister Hoshyar Zebari. May 29, 2006.

to be stepping up its efforts to obtain the return of the planes; U.S. forces have not transferred any combat aircraft to the new Iraqi air force out of concern about potential Iraqi misuse. Another emerging dispute is Iran's shelling of border towns in northern Iraq that Iran says are the sites where the Party for a Free Life in Kurdistan (PJAK), an Iranian Kurdish separatist group, is staging incursions into Iran. Iran has threatened a ground incursion against PJAK and Iraq said on September 9, 2007, in remarks directed at Iran and Turkey, that its neighbors should stop interfering in Iraq's affairs.

On the other hand, bilateral territorial issues are mostly resolved as a result of an October 2000 bilateral re-commitment to recognize the *thalweg*, or median line of the Shatt al Arab waterway between them, as their waterway border. This was a provision of the 1975 Algiers Accords between the Shah of Iran and the Baathist government of Iraq. (Iraq abrogated that agreement prior to its September 1980 invasion of Iran.) However, the water border remains subject to interpretation.

U.S. Responses and Prospects

The Iraq Study Group final report's first recommendation is that the United States include Iran (and Syria) in multilateral efforts to stabilize Iraq. Even before the Study Group report, U.S. officials, eager to try to stabilize Iraq, had tried to engage Iran on the issue, but U.S. officials opposed Iran's efforts to expand such discussions to bilateral U.S.-Iran issues and no talks were held. The Administration did not initially endorse the Iraq Study Group recommendation, instead launching initiatives to limit Iran's influence there, including the arrests of Iranian agents discussed above; the deployment of an additional aircraft carrier group to the Persian Gulf; and extended deployment of Patriot anti-missile batteries in the region. However, in a shift that might have been caused by Administration assessments that pressure on Iran was increasing U.S. leverage, the United States attended regional conferences in Baghdad on March 10, 2007, and in Egypt during May 3-4, 2007. At the latter meeting, Secretary of State Rice and Iranian Foreign Minister Mottaki held no substantive bilateral discussions, according to both sides. A minister level meeting on Iraq is to be held in late October 2007 in Istanbul; Secretary Rice has said she will attend, and Iran and Syrian attendance is likely as well. As an outgrowth of the regional meetings, the United States and Iran have held bilateral meetings in Baghdad on the Iraq issue, led by U.S. Ambassador to Iraq Ryan Crocker and Iranian Ambassador Kazemi-Qomi. The first was on May 28, 2007. Another round was held on July 24, resulting in an agreement to establish a working group to discuss ways to stabilize Iraq. This working group met for the first time on August 6, 2007. In his September 10 and 11, 2007 testimony to Congress, Ambassador Crocker said the bilateral meetings had made no substantive progress with respect to stopping Iranian support for Shiite militias, but that the talks might yet produce results and should be continued.

Despite the burgeoning U.S.-Iran diplomacy on Iraq, the Administration has continued to pressure Iran on Iraq issues. On March 24, 2007, the U.N. Security Council unanimously adopted Resolution 1747 on the Iran nuclear issue. The Resolution has a provision banning arms exports by Iran, a provision clearly directed at Iran's arms supplies to Iraq's Shiite militias and Lebanese Hezbollah. Another resolution is under negotiation, as are negotiations for multilateral sanctions against Iran imposed by like-minded countries, and outside specific Security Council mandate.